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EXTRAORDINARY

The Government of the Republic of Liberia announces that the Central Bank of Liberia (CBL), pursuant to its mandate under the Central Bank of Liberia Act of 1999 and its authority under the Financial Institutions Act of 1999, and specifically consistent with Section 55 of the said Central Bank of Liberia Act of 1999 and Section 39 of the Financial Institutions Act of 1999, has issued on April 26, 2013, pursuant to Chapter 5 of the Liberian Commercial Code, Regulation No. CBL/RSD/001/2013 herein under:

**REGULATIONS FOR SECURED
TRANSACTIONS/COLLATERAL REGISTRY**

BY ORDER OF THE PRESIDENT

**AUGUSTINE KPEHE NGAFUAN
MINISTER OF FOREIGN AFFAIRS**

**MINISTRY OF FOREIGN AFFAIRS
MONROVIA, LIBERIA**

APRIL 2013

General rules

These Regulations are issued pursuant to §5.75 of Chapter 5 of the Liberian Commercial Code – Secured Transactions.

1. Definitions

The definitions included in §1.18 of Chapter 1 and §5.9 of Chapter 5 of the Liberian Commercial Code apply also with respect to these Regulations subject to the following additions:

- (1) “Address” means: (i) a physical address, including a street address and number, city, and postal code; (ii) a post office box number, city, and postal code; or (iii) an address that purports to be a mailing address, and in addition may include fax, email and telephone number;

- (2) “Farm products” means goods, other than standing timber, with respect to which the debtor is engaged in a farming operation and which are (a) crops grown, growing, and to be grown including (i) crops produced on trees, vines, and bushes; and (ii) aquatic goods produced in aquacultural operations; (b) livestock, born or unborn, including aquatic goods produced in aquacultural operations (c) supplies used or produced in farming operation; and (iv) products of crops or livestock in their unmanufactured state.

- (3) “Financing Change Statement”¹ includes the information that
 - (a) deletes a secured party or debtor where two or more secured parties or debtors are identified in the financing statement;
 - (b) adds a secured party or debtor;
 - (c) adds, deletes or changes collateral, including assets identified by a serial number;
 - (d) changes the identifier of the debtor;
 - (e) changes the identifier of the secured party;
 - (f) changes the address of the debtor or secured party;
 - (g) modifies the registration period;
 - (h) changes the maximum amount for which the security interest may be enforced;
 - (i) assigns the secured obligation by the secured party;
 - (j) subordinates priority; and
 - (k) discharges a financing statement.

¹ See §5.10(l) and 5.57 of the Commercial Code.

- (4) “Law” means Chapter 5 of the Liberian Commercial Code – Secured Transactions;
- (5) “Registrant” means the person that enters information in a financing statement submitted for registration;
- (6) “Registrar” means the person appointed by the Central Bank of Liberia under §5.51(2) of the Law;
- (7) “Registration number” means a unique number allocated to each financing statement and financing change statement by the Registry;
- (8) “Serial number” means in the case of a motor vehicle, the vehicle identification number marked or attached to the body frame by the manufacturer.

2. The role and functions of the Collateral Registry

- (1) The Registry is established for the purposes of receiving, storing and making available to the public financing statements relating to security interests, finance leases and liens.
- (2) In addition to the functions specified in §5.51(4) of the Law, the Registry shall:
 - (a) Index all financing statements according to the identifier of the debtor;
 - (b) Index financing statements according to the serial number;
 - (c) Index all financing change statements in a manner that associates them with the initial financing statement without removing, deleting or replacing any information contained in the initial financing statement;
 - (d) Provide a verification statement of the registration to the registrant;
 - (e) Retain financing statements in the Registry record after the expiry of the registration period with an indication that the financing statement expired;
 - (f) Retain in the Registry record financing statements with respect to which a full discharge was registered with an indication that the financing statement was discharged;
 - (g) Maintain adequate security and back-up systems to prevent the loss of or damage to registered records.
- (3) The Registry staff shall not change, delete or add any information in the Registry record.

Access to Registry services

3. Public access to the Registry services

Any person is entitled to have access to the Registry services in accordance with the Law and these Regulations.²

4. Operating hours of the Registry

- (1) The Registry's main office shall be maintained at the Central Bank of Liberia. The Registrar may designate branch offices to facilitate access to the Registry services. The main and any branch offices shall be open to the public during regular business hours.
- (2) The Registry offices shall provide computer facilities to register financing statements, conduct searches and request search certificates. The Registry staff shall not enter information into financing statements or search requests for the person that requests the service.
- (3) Electronic access to the Registry services shall be generally available 24 hours a day, 7 days a week.
- (4) Notwithstanding paragraphs 1, 2 and 3 of this section, the Registrar may suspend access to the Registry services in whole or in part for maintenance purposes or when circumstances arise that make it impossible or impractical to provide access. Notification of the suspension of access to the Registry services and its expected duration shall be published as soon as reasonably possible on the Registry's website and posted at the offices of the Registry.

5. Authorization of the debtor necessary for registration of a financing statement

- (1) Pursuant to §5.53(2) of the Law, the debtor's signature on the security agreement shall constitute an authorization for the secured party to register a financing statement.
- (2) A financing statement that does not describe the collateral as consumer goods may be registered before the security agreement is signed as long as the debtor provided sufficient authorization for registration in writing.³

² §5.51(4) entitles any person to search the registry records.

³ This implements §5.53(3), and requires an authorization by the debtor in order to prevent fraudulent financing statements.

6. Registration of a financing statement and financing change statement

- (1) A person shall be entitled to register a financing statement and financing change statement in accordance with the Law, these Regulations and the terms and conditions of use of the Registry, if that person has:

 - (a) identified itself as the registrant;
 - (b) tendered payment for the registration; and
 - (c) provided the information required by the Law and these Regulations required for the registration.
- (2) A person shall be entitled to register a financing statement and financing change statement electronically by complying with the requirements provided in paragraph 3 of this section.
- (3) A person that wishes to register a financing statement or financing change statement electronically shall request a user account from the Registry. The Registry shall establish a user account once the person provides the required information and submits the application form.
- (4) The Registry shall also register a financing statement or financing change statement submitted by an intermediary. The secured party must properly authorize the intermediary to register a financing statement on its behalf.

7. Rejection of a financing statement, financing change statement or search request

- (1) The Registry shall reject a financing statement, financing change statement or search request if:

 - (a) it is not communicated to the Registry in one of the authorized media and form of communication; or
 - (b) the information in the financing statement, financing change statement or the search request is incomplete or illegible; or⁴
 - (c) the registrant has not paid the fee required for the type of service being requested.
- (2) A message and grounds for rejection shall be provided to the registrant or searcher as soon as practicable.

⁴ §5.54(1) provides that all required information must be provided in the required format.

8. Date and time of registration and its effectiveness

- (1) The Registry shall indicate the date and time of registration and assign a registration number to each financing statement.⁵
- (2) The Registry shall index financing statements in the order they were received.
- (3) The financing statement shall be effective when it has become available to searchers.

Financing statement information

9. Information required for the registration of an initial financing statement

- (1) To register an initial financing statement, the registrant must provide in the appropriate field the following information:
 - (a) the name, identification number, identification type and address of the debtor, as specified in sections 10 and 11 of these Regulations;
 - (b) the name, identification number, identification type and address of the secured party, as specified in section 12 of the Regulations;
 - (c) a description of the collateral, as specified in section 13 of these Regulations;
 - (d) the period of time for which the financing statement is to be effective; and
 - (e) indicate whether the financing statement relates to a i) security interest; ii) finance lease or iii) lien.
- (2) The registrant shall also indicate, and this information is requested by the Registry only for statistical purposes, the following
 - (a) the gender and birth date in case the debtor is a natural person. In case the debtor is a legal entity, the registrant shall indicate whether a 51% or higher interest in the entity is owned by women; and
 - (b) the maximum amount for which the security interest may be enforced.

10. Debtor identification (natural person)

- (1) If the debtor is a natural person, the registrant must indicate the name, identification type and identification number of the debtor as provided in this section.
- (2) For the purposes of paragraph 1, the name of the debtor is:

⁵ §5.54(10) requires the registry to assign a time to each financing statement in order to establish priorities.

- (a) the name as stated in a valid passport;
 - (b) if the debtor does not have a passport, the name as stated in a voter's identification card;
 - (c) if the debtor has neither a passport nor a voter's identification the name as stated on a driver's license; or
 - (d) if the debtor has none of the above, the name as stated in other official identification document.
- (3) The registrant must identify the identification document that contains the debtor name and enter the debtor's identification number provided in that document.

11. Debtor identification (legal person)

- (1) If the debtor is a legal person, the name of the debtor shall be the name under which it is registered in the Liberia Business Registry.
- (2) The unique number of the debtor that is a legal person shall be the enterprise code assigned upon registration in the Liberia Business Registry.

12. Secured party identification

- (1) For the purposes of section 9:
 - (a) if the secured party is a natural person, the registrant shall identify the secured party in accordance with section 10; or
 - (b) if the secured party is a legal person, the registrant shall identify the secured party in accordance with section 11.
- (2) The registrant may also identify, instead of the actual secured party, a representative of the secured party.⁶

13. Description of the collateral

- (1) The registrant must select, in the financing statement, one of the following categories:
 - i) consumer goods; ii) commercial collateral; or iii) both.⁷
- (2) If the financing statement identifies the collateral as consumer goods the registrant must indicate the date when the security agreement was signed.⁸

⁶ §5.9(ee) defines secured party as a person that holds a security interest for the person's own benefit or for the benefit of any other person.

⁷ §5.53 distinguishes between consumer goods and other collateral. It requires that a security agreement must be signed before the financing statement is submitted only for consumer goods.

⁸ §5.53(2) requires the debtor to sign a security agreement before the financing statement is made.

- (3) If the registrant has selected commercial collateral or both it must further select the relevant type or types of collateral, including accessions, accounts receivable, bank accounts, chattel paper, documents of title, equipment, farm products, fixtures, instruments, intangibles, inventory, investment property and money.
- (4) Irrespective of the selected category and type, the registrant must also enter a description that may be specific or generic as long as it reasonably identifies the collateral.
- (5) Subject to §5.13 of the Law, a generic description includes after-acquired property to which the debtor acquires rights at any time during the registration period of the financing statement.
- (6) If the description includes a vehicle that is not held as inventory by the debtor, the registrant must enter a serial number.

14. Incorrect or insufficient information

- (1) A financing statement shall be effective and perfects a security interest only if it provides the debtor's correct name as specified in sections 10 and 11.
- (2) A financing statement covering a vehicle not held as inventory by the debtor shall be effective only if it provides the correct serial number as defined in section 1 of these Regulations.
- (3) A serial number that is incorrect shall not render the financing statement ineffective with respect to other collateral that is sufficiently described.
- (4) Except as provided in paragraphs 1 and 2 of this section, an incorrect or insufficient statement of the information required to be entered in the Registry record shall not render the financing statement ineffective, unless it seriously misleads a reasonable searcher.
- (5) Where the registrant makes an error that causes the financing statement not to be disclosed in search, the financing statement shall not be effective and the time and date of the amendment that cures the error shall be the time when the financing statement becomes effective.

Registration of Amendments

15. Amendment of registration financing statement

- (1) In order to amend a financing statement, the registrant shall submit the financing change statement and provide in the appropriate field:
 - (a) the initial registration number of the financing statement to which the amendment relates;
 - (b) if information is to be added, the additional information as provided by these Regulations;
 - (c) if information is to be changed or deleted, the information to be deleted, and in the case of a change, the current and new information.⁹
- (2) A financing change statement may also be registered to correct an error or omission in the financing statement.
- (3) If the purpose of the amendment is to disclose an assignment of the secured obligation, the registrant shall provide the name of the assignor and assignee. If the secured party has assigned a secured obligation that relates only to a part of the collateral the registrant must describe the collateral that is subject to the assignment.¹⁰
- (4) If the purpose of the amendment is to register a subordination of a security interest, either of the secured parties that have previously agreed on subordination may register such financing change statement.¹¹
- (5) If the debtor has transferred an interest in all or part of the collateral, the secured party may register a financing change statement that adds the transferee as the new debtor to the financing statement.¹²
- (6) An amendment that adds a debtor is effective as to the added debtor only from the date of financing statement of the amendment.
- (7) An amendment that adds new collateral or modifies the maximum amount secured is effective as to the added collateral or the modified maximum amount secured only from the date and time of financing statement of the amendment.¹³

⁹ This provision implements §5.57 of the Commercial Code.

¹⁰ This provision implements §5.55 of the Commercial Code.

¹¹ This provision implements §5.58 of the Commercial Code.

¹² This provision implements §5.56 of the Commercial Code.

¹³ This provision implements §5.54(10) of the Commercial Code.

- (8) Except as otherwise provided in Section 17 of these Regulations, an amendment does not extend the registration period of the financing statement.
- (9) If one of the requirements provided in §5.59 of the Law has been satisfied the person with an interest in the collateral may demand that the secured party register a financing change statement.

16. Discharge of financing statement

- (1) According to §5.59 of the Law, the registrant shall indicate in the financing change statement whether the discharge is full or partial.
- (2) A financing change statement that is to fully discharge a financing statement must only indicate the registration number of the relevant financing statement.
- (3) The registrant must in a financing change statement that is to partially discharge the financing statement, indicate the registration number of the relevant financing statement and identify the collateral that shall be released.
- (4) If one of the requirements provided in §5.59 of the Law has been satisfied the person with an interest in the collateral may demand that the secured party register a financing change statement that fully discharges the financing statement.
- (5) The secured party shall be liable for damages and other sanctions in case of the failure to discharge a financing statement in accordance with §5.59 and §5.60.

17. Duration, extension and reduction of the registration period

- (1) A financing statement shall be effective for the period of time indicated by the registrant in the financing statement or for a perpetual period.¹⁴
- (2) If the financing statement describes the collateral as consumer goods the registrant may not select a duration exceeding five years.¹⁵
- (3) Subject to paragraph 2, the registration period of a financing statement may be extended for an additional period of time indicated in the financing change statement.¹⁶
- (4) The registration period of a financing statement may be reduced to a period of time indicated in the financing change statement.¹⁷

¹⁴ This provision implements §5.54(4) of the Commercial Code.

¹⁵ This provision implements §5.54(7) of the Commercial Code.

¹⁶ This Section implements §5.54(3) of the Commercial Code.

¹⁷ This Section implements §5.54(5) of the Commercial Code.

- (5) A financing change statement that extends or reduces the registration period may be registered only before the expiration of the registration period.

18. Verification statement¹⁸

- (1) When an initial financing statement or financing change statement is registered, the Registry shall provide to the registrant a verification statement in the form of a copy of the financing statement as soon as it is entered into the registry record.
- (2) The secured party must provide a copy of the verification statement to the debtor within thirty days.¹⁹

Searches

19. Right to search

Any person may conduct a search and request a search certificate without having to provide any reasons for conducting the search or requesting the search certificate.

20. Search criteria

- (1) A person may conduct a search by using one of the following search criteria:
 - (a) the name and/or the identity number of the debtor; or
 - (b) the serial number.
- (2) Search conducted under one of the criteria specified in paragraph (1) produces legal effects as specified in section 14 of these Regulations.
- (3) The Registry may provide additional searches by other criteria as a service without any legal effects.

21. Search results

- (1) A search result shall either indicate that no financing statements were retrieved against the specified search criterion or return all financing statements that exist in the Registry record with respect to the specified search criterion at the date and time when the search was conducted.

¹⁸ This Section implements §5.54(3) of the Commercial Code.

¹⁹ This may not be needed as it repeats §5.54(3) of the Law. It was included in the Regulations because it procedurally follows paragraph 1.

- (2) A search result indicates financing statements in the Registry record that match exactly the search criterion provided by the searcher.
- (3) Upon request made by a person that has paid the fee set out in accordance with section 22, the Registry issues a search certificate on the basis of one of the criteria specified in section 20 of these Regulations.
- (4) A search certificate is admissible as evidence in court proceedings.

Fees

22. Fees for Registry services

- (1) Fees for the use of the Registry services shall be set out by the Registrar.
- (2) Searches of the registry record shall be free of charge.
- (3) The Registrar may regulate the fees charged by intermediaries providing access to the Registry.

Liability

23. Disclaimer of responsibility²⁰

- (1) The Registry shall not be responsible for the authenticity, legality or accuracy of any information received from registrants.
- (2) The Registry shall not be held responsible for any inaccuracies or misrepresentations revealed in a search of the registry record by a user.
- (3) The Registry shall not be responsible for the validity of any agreement between the secured party and the debtor.

24. EFFECTIVE DATE

These regulations shall take effect immediately upon publication in the Gazette, and shall remain in force, until otherwise advised by the CBL.

Issued this **26th Day of April, A.D. 2013** in the City of Monrovia, Republic of Liberia.

CENTRAL BANK OF LIBERIA
MONROVIA, LIBERIA

²⁰ This Section implements §5.52(4).